



December 4th, 2012

Senator Rick Jones
Farnum Office Building, Room 110
Lansing, MI 48933

RE: Written testimony for submission to the Senate Judiciary Committee

Chairman Jones and Members of the Senate Judiciary Committee:

My name is John Shuler, and I am a Senior Investigator for Target, based out of Detroit, Michigan, and I am responsible for covering 57 stores in the state. Thank you for conducting this hearing today on organized retail crime.

Here in Michigan, we experience organized retail crime issues like the rest of the country. Much of the theft we see involves infant formula, razor blades, health and beauty items, video games, flat-screen televisions and other expensive electronics.

These items are stolen because they present quick resale value, whether it is at pawn shops, flea markets, corner stores, gas stations, or through an internet auction site. The individuals involved with this activity often steal to support criminal enterprises such as drugs, weapons or gang activity.

Different than shoplifting, organized retail crime is typically a large-scale criminal operation involving individuals or gangs of sophisticated, well-connected criminals with specific roles who steal products with the intent of selling them for a significant profit to fund criminal activity and/or lifestyles. The businesses that buy this stolen product then resell that merchandise for a substantial profit.

Organized retail crime activity is damaging on several levels, harming consumers, business and our communities. There is no guarantee that popular stolen products like baby formula and over-the-counter drugs are stored safely prior to resale. It costs retailers, consumers and the government through lost tax revenues. In Michigan alone, lost tax revenue is estimated to be over 53 million (\$53,292,993.93) according to the Food Marketing Institute. The enormous profits have also fueled other criminal activity, hurting our communities.

The rapid growth of organized retail crime requires a solution beyond investigating and apprehending individual criminals. State organized retail crime legislation would clearly define how organized retail crime differs from shoplifting, thus bringing harsher penalties to those responsible for organizing criminal enterprises that cause harm to our stores on a regular basis.

We appreciate the work that has been done to find a legislative solution, making the State of Michigan a partner with retailers in the fight against this growing problem. Chairman Jones and Members of the Senate Judiciary Committee, this concludes my testimony. I thank you for allowing us to participate. I invite your questions.